

CAMPAIGN SPENDING COMMISSION

STATE OF HAWAII

In Re the Matter of)	CA 03-12
)	
KSF, INC., KASHI, INC., Myles Y.)	
Shimokawa and David K. Fujiwara,)	
)	
Respondents.)	
_____)	

CONCILIATION AGREEMENT

On or around December 2002, Robert Y. Watada, Executive Director for the Campaign Spending Commission ("Commission"), initiated an investigation of Respondents, KSF, Inc., Myles Shimokawa and David Fujiwara (collectively "KSF"). KSF is registered with the Business Registration Division as doing business in engineering, designing, planning and related professional services, whose business address is 615 Piikoi Street, Suite 300, Honolulu, Hawaii. Business registration records list Myles Shimokawa and David Fujiwara as president and vice-president of KSF, respectively. Kashi, Inc. is listed with the Business Registration Division with an "inactive" purpose, with a residential address of 690 Hakaka Street, Honolulu, Hawaii. Business registration records list Myles Shimokawa as vice-president of Kashi, Inc. Contributions attributed to Kashi, Inc. are considered to be contributions by KSF. Family members of the principals of KSF making contributions to candidates include:

Carol Shimokawa, Wife of Myles Shimokawa
Karl Shimokawa, Father of Myles Shimokawa
Ruth Shimokawa, Mother of Myles Shimokawa
Agnes Fujiwara, Mother of David Fujiwara
Charles Fujiwara, Father of David Fujiwara
Linda Fujiwara, Sister-in-law of David Fujiwara

The investigation was initiated pursuant to the express authority of section 11-193, Hawaii Revised Statutes ("HRS"), for a determination of whether the campaign spending law had been violated and a complaint would be submitted to the Commission.

NOW, THEREFORE, KSF and the Commission, having entered into conciliation and pursuant to section 11-216(g), HRS, do hereby agree as follows:

- I. That the Commission has jurisdiction over Respondents and the subject matter of this administrative action.
- II. That this Conciliation Agreement ("Agreement") and upon complete performance of the conditions stated herein has the effect of remedial or corrective action taken by Respondents pursuant to section 11-216(g), HRS.
- III. That Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- IV. That Respondents waive the right to be heard at a public hearing conducted under chapter 91, HRS, pursuant to section 11-228(b), HRS.
- V. That Respondents enter into this Agreement with the Commission on their own volition and with full knowledge and understanding.
- VI. That parties agree to the pertinent facts as follows:
 1. On or around December 2002, Robert Y. Watada, in his capacity as Executive Director of the Campaign Spending Commission, and upon information received through the disclosure statements of the Ben Cayetano campaign committee ("Cayetano"), and the Jeremy

Harris campaign committee ("Harris"), initiated an investigation involving violations of the campaign spending statute.

2. Section 11-204(a)(1)(B), HRS, reads in part as follows: No person, other than a candidate for the candidate's own campaign, or any other entity shall make contributions to:...A candidate seeking nomination or election to a four-year statewide office or to the candidate's committee in an aggregate amount greater than \$6,000 during an election period.
3. Section 11-204(a)(1)(C), HRS, reads in part as follows: No person, other than a candidate for the candidate's own campaign, or any other entity shall make contributions to:...A candidate seeking nomination or election to a four-year nonstatewide office or to the candidate's committee in an aggregate amount greater than \$4,000 during an election period.
4. Section 11-204(h), HRS reads in part as follows:...an individual and any corporation in which the individual owns a controlling interest, shall be treated as one person.
5. Section 11-202, HRS reads in part as follows: No person shall make a contribution of the person's own money or property, or money or property of another person to any candidate, party, or committee in connection with a nomination for election, or election, in any name other than the true name of the person who owns the money or who supplied the money or property.

6. The Commission finds that during the period of 1996 to 2001 KSF, officers and family members made contributions to Cayetano, Harris and mayoral candidate Kimo Apana in the amount of \$33,762.

7. The Commission finds that KSF, officers and family members made contributions to Cayetano in the amount of \$24,762.

8. On or about April 1997, contributions were made to Cayetano as follows:

Myles Shimokawa	\$1,000
Carol Shimokawa	\$1,000
Charles Fujiwara	\$2,000
David Fujiwara	\$2,000

9. On or about May 1997, contributions were made to Cayetano as follows:

Myles Shimokawa	\$1,000
Carol Shimokawa	\$1,000
Agnes Fujiwara	\$2,000
Karl Shimokawa	\$2,000

10. On or about December 1997, contributions were made to Cayetano as follows:

Myles Shimokawa	\$1,000
Carol Shimokawa	\$2,000
Linda Fujiwara	\$2,000
Ramona Hokawa	\$2,000

11. On or about July 1998, contributions were made to Cayetano as follows:

Agnes Y. Fujiwara	\$1,000
Charles Fujiwara	\$1,000
Karl Shimokawa	\$1,000

Ruth Shimokawa \$ 162

12. On or about October 1998, contributions were made to Cayetano as follows:

David K. Fujiwara	\$1,000
Linda Fujiwara	\$1,000
Ruth Shimokawa	\$ 500

13. On or about November 1998, David Fujiwara made a \$100 contribution to Cayetano.
14. The Commission finds that KSF, officers and family members made contributions to Harris in the amount of \$10,000.
15. On or about June 1999, Carol Shimokawa made a \$2,500 contribution to Harris.
16. On or about June 1999, David Fujiwara made a \$1,000 contribution to Harris.
17. On or about December 1999, Karl Shimokawa made a \$2,500 contribution to Harris.
18. On or about April 2000, Carol Shimokawa made a \$500 contribution to Harris.
19. On or about April 2000, Linda Fujiwara made a \$500 contribution to Harris.
20. On or about September 2000, Linda Fujiwara made a \$2,000 contribution to Harris.
21. On or about September 2000, Karl Shimokawa made a \$1,000 contribution to Harris.

22. The Commission finds that Myles Shimokawa made a \$2,000 contribution to Kimo Apana.
23. That pursuant to section 11-194, HRS, KSF did not file an organizational report.
24. That pursuant to sections 11-212 and 11-213, HRS, KSF did not file disclosure reports.

VII. Settlement Terms

As final settlement of the matter and issues in Conciliation Agreement #03-12, KSF understands and agrees to the following:

- (A) KSF agrees to an assessment of **Sixteen Thousand Dollars (\$16,000)** pursuant to section 11-228, HRS.
- (B) The Commission finds violations of section 11-202, HRS.
- (C) The Commission finds violations of section 11-204, HRS.
- (D) The Commission finds a violation of section 11-194, HRS.
- (E) The Commission finds violations of sections 11-212 and 11-213, HRS.
- (F) KSF agrees to comply with campaign finance statutes on contribution and expenditures to candidate committees.
- (G) Terms of payment of the assessment shall be by Order of the Commission.

VIII. The Commission upon its own motion or a written request of anyone filing a complaint under section 11-216, HRS, may review compliance with the Agreement. If the Commission believes that the Agreement has been

violated, it may institute administrative proceedings or a civil action in the Circuit Court of the First Circuit pursuant to section 11-228(c), HRS.

- IX. This Agreement shall become effective as of the date that all parties have signed and the Commission has approved the entire Agreement.
- X. This Agreement constitutes the entire agreement between the Commission and KSF on the matters raised herein, and no other statement, promise, or agreement, either in writing or oral, not contained in this Agreement made by either party or by agents of either party shall be enforceable.
- XI. This Agreement, unless violated, shall be a complete bar to any further action by the Commission with respect to the violations at issue in this matter.

FOR THE COMMISSION:

Robert Y. Watada, Executive Director

By: _____

Date: _____

FOR THE RESPONDENT(S)

Myles Y. Shimokawa

By: _____

(Name)

(Title)

Date: _____